
CAPTURING MORE SMALL BIZ CUSTOMERS

by [Steve Brown](#)

Studies find somewhere around 90% of all retail buying begins online. People use the internet to research products, compare prices and look for local businesses where they can buy many of the goods or services they seek. That is great until you find out that studies also indicate only about 50% of small businesses have a website. Community bankers can help in this area and many already are, as they seek to capture more clients in a very tough environment.

In this area, some community bankers are finding success through education. Your customers want help from you in enhancing their business, so letting them know how that might be accomplished is good for you and for them. Consider for instance sharing the data that finds only about 7% of small business owners say their primary marketing goal is to get more visitors to their website, despite the information above that this is critical to success. Sometimes just knowing the facts can help drive more business and in turn more profitability.

Another area where community bankers can help their small business clients can be through training at your branches or in the customer's own offices. When business is down, everyone has to work harder, but working smarter is also critical. Consider sharing the data that finds 51% of small business owners believe both the quality and ability of their site to acquire new customers is only "fair" or "poor." That is all well and good, but the data on those same customers finds that could be because 61% spend less than three hours a week on their website. This is the key point of contact for your small business customer when it comes to finding new customers of their own, so getting them the training they need and helping educate them on the importance of the web can be very beneficial for community banks as well.

Next, you might want them to consider a little test we do around here from time to time called "highest and best use." When you find yourself in a given meeting, look around the room and think about whether or not this is the highest and best use for everyone in the room. Yes, you have to have certain players at each meeting to get things done effectively, but is Bob really adding much given the discussion at hand isn't his skill set? We find it interesting that studies find 99% of small business owners are directly involved in the marketing of their business, yet some would probably be better off if they ceded that job to marketing professionals. Doing this can bear fruit for your clients, help them increase success and become a better client to your bank over time. After all, just because the small business owner is great at building widgets does not mean they are good at marketing. Get your customers to challenge their involvement by focusing on their own unique highest and best use and success will follow.

If you still want more ammunition to prove out this final point, consider that 78% of small business owners (the vast majority) dedicate less than 10% of their budget to marketing (very little). Further, of those who do spend money on marketing, 50% spend less than 10% of their marketing budget on internet advertising, while 30% do no Internet advertising at all. You can help your clients help themselves by sharing your knowledge, giving them a few tips and helping educate them so they better understand the opportunities and the risks; when you do, don't forget to ask for a referral - happy hunting.

BANK NEWS

FOMC Minutes

The minutes surprised the market yesterday by its clear warning that the economy's output gap may not be as large as thought and rates might start rising sooner than expected "over a period of three to five years." As an aside, the Fed clamped down on speakers by issuing new rules about what officials can and cannot say to the public.

Interchange

The Fed put out the 1st of its annual list of banks that are and are not subject to the new debit card interchange rule that go into effect Oct. 1. While the lists are basically cuts of financial institutions above and below \$10B, they are published to help payment networks determine what institutions are subject to the new price regulations. Good luck with that, as the lists are sorted by Fed ID so finding a bank takes time. To see both lists go: <http://tiny.cc/PCBBDurbinList>

US Bank

The Bank launched a program that allows customer impacted by MN state shutdown to skip a loan payment. The forbearance program has met with very positive press and is a good tactic to keep in mind should your state face hardship.

USAA

After taking a survey of its members, the bank followed the recommendations and will do away with its rewards program (instead of imposing a monthly fee for it's checking/debit account).

Small Biz Hiring

According to the latest WSJ survey, nearly 2/3 of small businesses had no plans to add to payrolls in the next year and another 12% planned job cuts.

Training

According to Leadership IQ, 67% of new hires learn more about their jobs from co-workers than from bosses. Do you have a mentoring program to take advantage of this?

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